

**STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Before the Commissioner of the Office of Financial and Insurance Regulation

In the Matter of:

**Firststar Credit Union, a/k/a
Firststar Lending Services
1800 Loucks Road, Suite 850
York, PA 17408,**

Agency No. 09-737-CU

Respondent.

_____/

Issued and entered
this 9th day of April, 2009
by Stephen R. Hilker,
Chief Deputy Commissioner

TEMPORARY ORDER TO CEASE AND DESIST

The Office of Financial and Insurance Regulation ("OFIR"), pursuant to the Administrative Procedures Act of 1969, 1969 PA 306, as amended, MCL 24.201 *et seq.*, ("MAPA"), and the Michigan Credit Union Act, 2003 PA 215, as amended, MCL 490.101 *et seq.*, ("MCUA"), and the Rules promulgated thereunder, R 490.111 - R 490.120, issued a Notice of Charges and Notice of Hearing on April 3, 2009, and now states:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. OFIR is responsible for the regulation of credit unions doing business in the State of Michigan and enforcement of the provisions of the MCUA.
2. OFIR has received information regarding the ongoing Michigan business operations of Firststar Credit Union ("Firststar").
3. Firststar is currently operating a business in the State of Michigan.

4. Firststar is operating on the Internet at www.Firststarlendingservices.com.
5. Firststar's website states that its office location is 1800 Loucks Road, Suite 850, York, Pennsylvania 17408.
6. On March 26, 2009, Firststar placed advertisements with a Michigan newspaper, the Grand Blanc View, claiming that it is a credit union and attempting to sell consumer financial services.
7. Firststar is not a domestic credit union organized pursuant to Section 301 of the MCUA, MCL 490.301.
8. Firststar is not a domestic credit union authorized to commence business in the State of Michigan pursuant to Section 301 of the MCUA, MCL 490.301.
9. Firststar is using the words "credit union" in its business name in violation of Section 104 of the MCUA, MCL 490.104.
10. Firststar's ongoing business operations constitute continuing and multiple violations of the MCUA.
11. On April 3, 2009, OFIR issued and served upon Firststar a Notice of Charges and Notice of Hearing, pursuant to Section 210 of the MCUA, MCL 490.210, via Certified Mail and Facsimile Transmission.
12. Through that Notice of Charges, Firststar was informed of the fact that its ongoing business operations violate the MCUA, MCL 490.101 *et seq.*

WHEREAS, Section 211 of the MCUA, MCL 490.211, states that "(i)f the commissioner determines that a violation or threatened violation or an unsafe or unsound practice or practices specified in the notice of charges served upon a domestic credit union under section 210, or the continuation of the violation or practice, is likely to cause insolvency or substantial dissipation of assets or earnings of the domestic credit union , or is likely to otherwise seriously prejudice the interests of its depositors, the commissioner may issue a temporary order requiring the domestic credit union to cease and desist from that violation or practice."

WHEREAS, Firststar's ongoing business operations as an alleged "credit union" violate Section 301 of the MCUA, MCL 490.301.

WHEREAS, Firststar is using the words "credit union" in its business name in violation of Section 104 of the MCUA, MCL 490.104.

WHEREAS, Firststar's ongoing business operation as an alleged "credit union" constitutes a continuing violation of the MCUA.

WHEREAS, Firststar's unlawful business operation is "likely to otherwise seriously prejudice the interests of its depositors."

WHEREAS, OFIR Staff recommends that the Commissioner find that Respondent has engaged in acts and practices that violate the MCUA, MCL 490.101 *et seq.*

WHEREAS, OFIR Staff recommends that the Commissioner issue a Cease and Desist Order pursuant to Section 211 of the MCUA, MCL 490.211.

ORDER

IT IS THEREFORE ORDERED, pursuant to Section 211 of the MCUA, MCL 490.211, that:

Respondent shall immediately **CEASE AND DESIST** from conducting any and all business operations as Firststar Credit Union in violation of Sections 104 and 301 of the MCUA, MCL 490.104 and MCL 490.301.

Failure to comply with this ORDER may subject you to a criminal penalty of not more than \$25,000 for each violation, or imprisonment of not more than 10 years, or both.

Within 10 days after a domestic credit union has been served a Temporary Cease and Desist Order under MCL 490.211(1), a domestic credit union may apply to the circuit court for the county in which the principle office of the domestic credit union is located for an injunction setting aside, limiting, or suspending the enforcement, operation or effectiveness of the order pending the completion of the proceedings under MCL 490.210.

It is important to understand that any statements that you present in response to this Order may be used against you at a hearing. It is also important to understand that you have the right, at your own expense, to have an attorney assist you at a hearing.

The Commissioner retains the right to pursue further administrative action against the Respondent should the Commissioner determine that such action is necessary and appropriate in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the MCUA.

Any contact with OFIR must be directed to Amy Miilu, Legal Secretary, Office of Financial and Insurance Regulation, P.O. Box 30220, Lansing, MI 48909, Telephone: (517) 335-5872; Fax: (517) 335-3157.

OFFICE OF FINANCIAL AND
INSURANCE REGULATION



Stephen R. Hilker
Chief Deputy Commissioner